

**ADSUM ASSOCIATION FOR WOMEN & CHILDREN
FINANCIAL STATEMENTS
March 31, 2009**

AUDITOR'S REPORT

To the Members of Adsum Association for Women & Children:

I have audited the statement of financial position of Adsum Association for Women & Children at March 31, 2009 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

My examination of revenue, which by its nature is not susceptible to complete verification by audit procedures, was limited to a comparison of recorded receipts with bank deposits and such other evidence as was available.

In my opinion, revenue being as recorded, these financial statements present fairly, in all material respects, the financial position of the Association at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Dartmouth, Nova Scotia
June 16, 2009

Daniel J. Avery
Chartered Accountant

**ADSUM ASSOCIATION FOR WOMEN & CHILDREN
FINANCIAL STATEMENTS
March 31, 2009**

1. Statement of Financial Position
2. Statement of Operations
3. Statement of Net Assets

4. Statement of Cash Flows
 5. Notes to Financial Statements

STATEMENT OF FINANCIAL POSITION

As At March 31, 2009

ASSETS

	<u>2009</u>
Current assets:	
Cash (Note 3)	\$ 48,080
Short-term deposits (Note 4)	146,040
Accounts receivable (Note 5)	131,510
Prepaid expenses	<u>10,640</u>
	<u>336,270</u>
Long term investments, endowment fund (Note 8)	<u>184,794</u>
Property and equipment (Note 6)	<u>2,115,193</u>
	<u>\$ 2,636,257</u>

LIABILITIES & DEFERRED CONTRIBUTIONS

Current liabilities:	
Payables and accruals	43,977
Unearned revenue	-
Tenants' damage deposits	3,994
Current portion of long-term debt	<u>4,703</u>
	<u>52,674</u>
Long-term debt (Note 7)	<u>117,156</u>
Deferred contributions:	
Future expenditures	10,000
Capital assets	<u>1,689,572</u>
	<u>1,699,572</u>

NET ASSETS

Net assets:	
Investment in property and equipment	413,549
Investment in endowment fund (Note 8)	184,794
Unrestricted	<u>168,512</u>
	<u>766,855</u>
	<u>\$ 2,636,257</u>

See accompanying notes to financial statements

ADSUM ASSOCIATION FOR WOMEN & CHILDREN

STATEMENT OF OPERATIONS

Year Ending March 31, 2009

	<u>2009</u>
Revenues:	
Per diems to authorities	\$ 507,052
Government grants	357,610
Rental operations	128,656
Donations	204,111
Fundraising events	87,674
Investment	6,747
Amortization of deferred contributions	80,299
Gain (loss) on sale of asset	828
Other	670
	<u>1,373,647</u>
Expenses:	
Employee services	795,282
Operations	216,750
Property	129,471
Administration	43,784
Promotion and fundraising	77,379
Amortization	97,335
Interest	8,259
Other	6,000
	<u>1,374,260</u>
Excess of revenues over (under) expenses	<u>(\$ 613)</u>

See accompanying notes to financial statements

STATEMENT OF NET ASSETS

Year Ending March 31, 2009

	<u>2009</u>
<u>Investment in capital assets</u>	<u>Investment in endowment fund</u>

Balance, beginning of year	\$	392,287	\$	239,487
Capital additions funded internally		33,609		-
Capital additions funded externally		-		
Excess of revenues over expenses	(	17,036)		3,767
Endowment fund contributions		-		25,550
Net unrealized loss in investments				(\$84,010)
Reduction of mortgage payable		4,689		-
		<hr/>		<hr/>
Balance, end of year	\$	413,549	\$	184,794
		<hr/> <hr/>		<hr/> <hr/>

See accompanying notes to financial statements

STATEMENT OF CASH FLOWS

Year Ending March 31, 2009

		<u>2009</u>
Operating activities:		
Excess of revenues over (under) expenses		(\$ 613)
Non-cash items		
Revenue transferred from deferred contrib	(	38,496)
Amortization of deferred contributions	(	80,299)
Amortization expense		97,335
Loss on disposal of asset		-
Net change in non-cash working capital		
Accounts receivable		617
Prepaid expenses	(	3,558)
Payables and accruals	(	23,299)
Damage deposits		362
		<hr/>
		(47,951)
Financing:		
Reduction in long term debt	(	4,387)
Endowment fund contributions		25,550
Increase (decrease) in deferred contributions	(	42,019)
		<hr/>
		(20,856)
Investing:		
Additions to capital assets	(	33,609)
		<hr/>
Net increase (decrease) in cash and short-term deposits	(	102,416)

Cash and short-term deposits, beginning of year	<u>296,536</u>
Cash and short-term deposits, end of year	<u>\$ 194,120</u>

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

1. Description of Organization

The Association is a society incorporated under the provisions of the Societies Act of Nova Scotia and is a registered charity under the provisions of the Income Tax Act. The Association provides housing and other support services for women and children in an effort to reduce homelessness and promote independent living. The Association operates the following facilities within the Halifax Regional Municipality:

Adsum House, an emergency shelter for women and children who are homeless.

Adsum Court, a supportive complex with affordable apartments.

Adsum Centre, a short term residential centre for women and children.

A significant portion of the Association's revenues is received from various levels of government in the form of grants or per diems based upon occupancy.

2. Significant Accounting Policies:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:

a) Allowance for doubtful accounts

The Association maintains an allowance for doubtful accounts for accounts where there is a question as to the ultimate collectability. Accounts are written off when there is no reasonable expectation of collection.

b) Property and equipment

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are stated at fair value at the date of contribution. Amortization is recorded on the straight-line basis over the useful life of the asset as follows:

Buildings
Leasehold improvements / Playground
Furniture and equipment
Computer equipment

c) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount is reasonably estimated and collection is reasonably assured.

Restricted contributions, other than endowment contributions, are recognized as revenue when the related expenses are incurred or property acquired. Endowment contributions are recognized as increases in net assets.

Contributions of non-depreciable capital assets and contributions for the purposes of acquiring capital assets are recognized as a direct increase in investment in capital assets in the period in which the capital assets are acquired.

- d) Contributed services
Volunteers contribute their time to assist the Association in carrying out its activities. Due to their fair value, contributed services are not recognized in the financial statements.
- e) Accounting estimates
Preparation of the financial statements in conformity with Canadian generally accepted accounting management to make estimates and assumptions that affect the reported amounts of assets and reported amounts of revenues and expenses during the period. Actual results could differ from

3. Cash

Unrestricted
Restricted - tenants' damage deposits

4. Short-term securities

Short-term deposits, which are held for trading, are on deposit with a Canadian bank and are in the form of a 1 year cashable term deposit bearing interest at a rate of 1.01%.

5. Accounts receivable

Due from provincial government
Due from federal government
Other

Less: Allowance for doubtful accounts

6. Property and equipment

Land
Buildings
Playground
Leasehold improvements
Furniture & equipment
Computer equipment

7. Long-term debt

Loan bearing interest at 6.75%, monthly blended payments of \$1,055, subject to renewal in August, 2014, secured by a mortgage on land and building with a net book value of \$224,960 and maturing in October, 2024

Less: Current portion

Principal repayments due over the next 5 years are as follows:

8. Endowment funds

The endowment fund is subject to externally imposed restrictions stipulating that the capital period of at least ten years and the investment income be used towards operating expenses. The Association received \$25,550 in endowment contributions (2008 - \$219,487) and earned \$3 investment revenue which has been reported as income. These funds are classified as held at cost with annual adjustments to reflect fair value and are comprised of cash and equivalents and foreign equities of \$177,341.

9. Commitments / Contingencies

- a) The Association leases the Adsum House premises under a year to year lease with the Halifax Regional Municipality for a nominal annual rent of \$ 1 / year. Due to the unique circumstances surrounding the lease, the Association writes off its leasehold improvements over a period greater than the term of the lease.
- b) The Association's ownership of Adsum Centre is subject to the terms of a buy-back agreement entered into with the Halifax Regional Municipality in conjunction with the property's acquisition in 2008.

10. Financial instruments

The Association's financial instruments consist of cash, short-term deposits, receivables, prepaids, accruals, tenants' damage deposits and mortgage payable. Unless otherwise noted, it is management's policy to carry these financial instruments at fair value. The Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

2008

\$ 130,496
166,040
132,127
7,082

435,745

239,487

2,178,919

\$ 2,854,151

67,276
89,478
3,632
4,401

164,787

121,845

-

1,741,591

1,741,591

392,287
239,487
194,154

825,928

\$ 2,854,151

2008

\$ 511,430
338,691
124,858
230,268
74,321
16,048
81,002
- 27,800
16,464
1,365,282

747,441
241,451
151,480
41,137
51,289
97,909
8,523
900
1,340,130

\$ 25,152

2008

Unrestricted

Total

Total

\$ 194,154	\$ 825,928	\$ 581,289
(33,609)	-	-
-	-	-
12,656	(613)	\$25,152
	25,550	219,487
	(84,010)	-
(4,689)	-	-
<u>\$ 168,512</u>	<u>\$ 766,855</u>	<u>\$ 825,928</u>

2008

\$ 25,152
(124,676)
(81,002)
97,909
27,800
(31,675)
12,593
(20,624)
251
<u>(94,272)</u>
(4,106)
219,487
(3,432)
<u>211,949</u>
<u>(91,034)</u>

26,643

269,893
\$ 296,536

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<u>2009</u>	<u>2008</u>
\$ 44,086	\$ 126,864
3,994	3,632
<u>\$ 48,080</u>	<u>\$ 130,496</u>

year end was comprised

<u>2009</u>	<u>2008</u>
\$ 88,003	\$ 89,705
20,386	20,703
<u>29,121</u>	<u>21,719</u>
137,510	132,127
6,000	-
<u>\$ 131,510</u>	<u>\$ 132,127</u>

<u>2009</u>		<u>2008</u>	
<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
\$ 257,800	\$ -	\$ 257,800	\$ 257,800
1,913,223	240,791	1,672,432	1,725,729
26,076	11,732	14,344	16,951
223,417	89,304	134,113	125,455
142,363	108,369	33,994	47,726
42,660	40,150	2,510	5,258
<u>\$ 2,605,539</u>	<u>\$ 490,346</u>	<u>\$ 2,115,193</u>	<u>\$ 2,178,919</u>

<u>2009</u>	<u>2008</u>
\$ 121,859	\$ 126,246

<u>4,703</u>	<u>4,401</u>
<u>\$ 117,156</u>	<u>\$ 121,845</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 4,703	\$ 5,025	\$ 5,367	\$ 5,737	\$ 6,140

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